

KCL FINANCIAL SERVICES
188 MCGREGOR DR
RANSON, WV 25438
304-279-0983

April 27, 2020

Lake Front Royal POA
115 Lake Front Rd,
Front Royal, VA 22630-5851

Dear Client:

Enclosed is your 2019 Federal Income Tax Return for Homeowners Associations. The original should be signed at the bottom of page one. No tax is payable with the filing of this return. Mail the Federal return on or before July 15, 2020 to:

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE CENTER
KANSAS CITY, MO 64999-0012

Your 2019 Virginia Corporation Income Tax Return will be electronically filed with the State of Virginia upon receipt of a signed Form VA-8879C - e-file Signature Authorization. No tax is payable with the filing of this return.

Please be sure to call if you have any questions.

Sincerely,

Kevin Lyle

Lake Front Royal POA

54-1179516

	2019	2018	Diff
EXEMPT FUNCTION INCOME AND EXPENDITURES			
Total exempt function income.....	35,845	35,512	333
Expenditures described in 90% test.....	22,090	20,747	1,343
Total expenditures for the tax year.....	22,090	20,747	1,343
GROSS INCOME (NON-EXEMPT FUNCTION INCOME)			
Gross income.....	0	0	0
DEDUCTIONS			
Total deductions.....	0	0	0
TAXABLE INCOME			
Specific deduction of \$100.....	100	100	0
Taxable income.....	-100	-100	0
TAX COMPUTATION			
Tax (30% of taxable income).....	0	0	0
Net tax.....	0	0	0
PAYMENTS AND CREDITS			
Total payments and credits.....	0	0	0
REFUND OR AMOUNT DUE			
Overpayment.....	0	0	0
Tax due.....	0	0	0
TAX RATES			
Marginal tax rate.....	30.0%	30.0%	0.0%

Lake Front Royal POA

	2019	2018	Diff
FEDERAL INCOME			
Federal taxable income.....	-100	-100	0
ADJUSTED INCOME			
Virginia taxable income.....	-100	-100	0
TAX AND CREDITS			
Income tax is 6% of taxable income.....	0	0	0
REFUND OR TAX TO PAY			
Amount to be refunded.....	0	0	0
TAX RATES			
Marginal tax rate.....	0.0%	0.0%	0.0%

Forms needed for this return

Federal: 1120-H
Virginia: 500, Sch 500ADJ, Sch 500FED, VA-8879C

Tax Rates

	<u>Marginal</u>	<u>Effective</u>
Federal	30%	0%
Virginia	0%	0%

Carryovers to 2020

None

**U.S. Income Tax Return
for Homeowners Associations**

▶ Go to www.irs.gov/Form1120H for instructions and the latest information.

2019

For calendar year 2019 or tax year beginning _____, 2019, and ending _____,

TYPE OR PRINT	Lake Front Royal POA 115 Lake Front Rd, Front Royal, VA 22630-5851	Employer identification number 54-1179516 1/01/1974
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Check if: (1) Final return (2) Name change (3) Address change (4) Amended return

A Check type of homeowners association: Condominium management association Residential real estate association Timeshare association

B Total exempt function income. Must meet 60% gross income test. See instructions	B 35,845.
C Total expenditures made for purposes described in 90% expenditure test. See instructions	C 22,090.
D Association's total expenditures for the tax year. See instructions	D 22,090.
E Tax-exempt interest received or accrued during the tax year	E

Gross Income (excluding exempt function income)

1 Dividends	1	
2 Taxable interest	2	
3 Gross rents	3	
4 Gross royalties	4	
5 Capital gain net income (attach Schedule D (Form 1120))	5	
6 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	6	
7 Other income (excluding exempt function income) (attach statement)	7	
8 Gross income (excluding exempt function income). Add lines 1 through 7	8	0.

Deductions (directly connected to the production of gross income, excluding exempt function income)

9 Salaries and wages	9	
10 Repairs and maintenance	10	
11 Rents	11	
12 Taxes and licenses	12	
13 Interest	13	
14 Depreciation (attach Form 4562)	14	
15 Other deductions (attach statement)	15	
16 Total deductions. Add lines 9 through 15	16	0.
17 Taxable income before specific deduction of \$100. Subtract line 16 from line 8	17	0.
18 Specific deduction of \$100	18	\$100

Tax and Payments

19 Taxable income. Subtract line 18 from line 17	19	
20 Enter 30% (0.30) of line 19. (Timeshare associations, enter 32% (0.32) of line 19.)	20	0.
21 Tax credits (see instructions)	21	
22 Total tax. Subtract line 21 from line 20. See instructions for recapture of certain credits	22	0.
23 a 2018 overpayment credited to 2019	23 a	
b 2019 estimated tax payments	23 b	
c Total ▶	23 c	0.
d Tax deposited with Form 7004	23 d	
e Credit for tax paid on undistributed capital gains (attach Form 2439)	23 e	
f Credit for federal tax paid on fuels (attach Form 4136)	23 f	
g Add lines 23c through 23f	23 g	0.
24 Amount owed. Subtract line 23g from line 22. See instructions	24	0.
25 Overpayment. Subtract line 22 from line 23g	25	
26 Enter amount of line 25 you want: Credited to 2020 estimated tax ▶	26	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer _____ Date _____	Secretary _____ Title _____
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May the IRS discuss this return with the preparer shown below? See instrs. Yes No

Paid Preparer Use Only	Print/Type preparer's name Kevin Lyle	Preparer's signature	Date	Check <input checked="" type="checkbox"/> self-employed if	PTIN P00925674
	Firm's name ▶ KCL Financial Services	Firm's EIN ▶ 26-2923586			
	Firm's address ▶ 188 McGregor Dr Ranson, WV 25438	Phone no. 304-279-0983			

**DO NOT SEND THIS VA-8879C TO THE VIRGINIA DEPARTMENT OF TAXATION OR THE IRS.
IT MUST BE MAINTAINED IN YOUR FILES!**

Corporation Name	Federal ID Number
Lake Front Royal POA	54-1179516

Part I Tax Return Information

1	Federal Taxable Income (Form 500, Page 2, Line 1)	1	-100.
2	Virginia Taxable Income (Form 500, Page 2, Line 7)	2	-100.
3	Income tax (Form 500, Page 2, Line 9)	3	0.
4	Total payments and credits (Form 500, Page 2, Line 16)	4	0.
5	Total due (Form 500, Page 2, Line 21)	5	0.
6	Amount to be refunded (Form 500, Page 2, Line 24)	6	0.

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare to be the officer of the above corporation and that I have examined a copy of the corporation's 2019 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct and complete. I further declare that the information provided to my Electronic Return Originator (ERO), Transmitter, or Intermediate Service Provider including the amounts shown in Part I above agrees with the information and amounts shown on the corresponding lines of the corporate electronic income tax return. If filing a balance due return, I authorize the Virginia Department of Taxation (Virginia Tax) and its designated Financial Agent to initiate an ACH electronic funds withdrawal entry to the financial institution account indicated on the 2019 Virginia income tax return for payment of state taxes owed on this return. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I certify that the transaction does not directly involve a financial institution outside of the territorial jurisdiction of the United States at any point in the process.

I understand that if Virginia Tax does not receive full and timely payment of the tax liability, the corporation will remain liable for the tax liability and all applicable interest and penalties. I authorize my ERO, Transmitter or Intermediate Service Provider to transmit the complete return to Virginia Tax. I have selected a personal identification number (PIN) as my signature for the corporation's electronic income tax return.

Officer's e-File PIN: check one box only

I authorize the ERO named below to enter my e-File PIN 42622 as my signature on the corporation's 2019 electronic Virginia corporation income tax return.
Do not enter all zeros

KCL Financial Services
ERO Firm Name

I will enter my e-File PIN as my signature on the corporation's 2019 electronic Virginia corporation income tax return. Check this box only if you are entering your own e-File PIN and the return is filed using the Practitioner PIN method. The ERO must complete Part III below.

Your Signature _____ Date _____

Part III Certification and Authentication

ERO's EFIN/PIN: Enter your six digit EFIN followed by your five digit self-selected PIN. 551586
Do not enter all zeros

I certify that the above numeric entry is my ERO EFIN/PIN, which is my signature for the 2019 Virginia corporation income tax return for the corporation indicated above. I confirm that I am submitting this return in accordance with the requirements of the Practitioner PIN method and have followed all other requirements as specified by Virginia Tax. EROs may sign the form using a rubber stamp, mechanical device, such as a signature pen, or computer software program.

ERO's Signature Kevin Lyle Date _____

Form 500

Department of Taxation
P.O. Box 1500
Richmond, VA 23218-1500

**2019 Virginia Corporation
Income Tax Return**



Attention: Return must be filed electronically. Use this form only if you have an approved waiver.

FISCAL or
SHORT Year Filer: **Beginning Date** _____, _____; **Ending Date** _____, _____

Official Use Only

Short Year Return **Change in Accounting Period**

FEIN 54-1179516		Name Lake Front Royal POA		Check all that apply: <input type="checkbox"/> Initial Filer <input type="checkbox"/> Name Change <input type="checkbox"/> Mailing Address Change <input type="checkbox"/> Physical Address Change	
Mailing Address 115 Lake Front Rd,					
City or Town Front Royal		State VA	ZIP Code 22630-5851		
Physical Address (if different from Mailing Address)				Entity Type Code CC	
Physical City or Town		State	ZIP Code	NAICS Code 531390	
Date Incorporated 01011974	State or Country of Incorporation VA	Description of Business Activity Homeowners Associati			

Check Applicable Boxes	Final Return	Corporate Telecommunications Company
<input type="checkbox"/> Consolidated – Sch. 500AC Enclosed <input type="checkbox"/> Combined – Sch. 500AC Enclosed <input type="checkbox"/> Change in Filing Status <input type="checkbox"/> Sch. 500A Enclosed <input type="checkbox"/> Schedule 500AB Enclosed <input type="checkbox"/> Nonprofit Corporation <input type="checkbox"/> Certified Company Apportionment – Sch. 500AP Enclosed Enter number of affiliates _____	<input type="checkbox"/> Final Return – Check here and applicable boxes below. <input type="checkbox"/> Withdrawn <input type="checkbox"/> Dissolved – No longer liable for tax. Dissolved Date _____ <input type="checkbox"/> Merged Merger Date _____ Merged FEIN # _____ <input type="checkbox"/> S Corp Effective _____	Enter amount from Form 500T, Line 7: _____ .00 <hr/> Noncorporate Telecommunications Company <input type="checkbox"/> Check box and enter amount from Form 500T, Line 10: _____ .00 <hr/> Electric Supplier Company Enter amount from Sch. 500EL, Line 7 or 14: _____ .00 <hr/> Home Service Contract Provider Enter amount from Form 500HS, Line 10: <input type="checkbox"/> Check box if a noncorporate HSCP. _____ .00
Amended Return (Do not file this form to carry back a net operating loss. Use Form 500NOLD)		
<input type="checkbox"/> Amended Return – Check here and other applicable boxes. <input type="checkbox"/> Federal Audit – Enclose copy of IRS final determination. <input type="checkbox"/> Schedule 500A Changes <input type="checkbox"/> Schedule 500ADJ Changes	<input type="checkbox"/> Nonrefundable or Refundable Credit Change <input type="checkbox"/> Schedule 500AB Changes <input type="checkbox"/> Capital Loss Carryback <input type="checkbox"/> Other – Enclose explanation.	

Questions and Related Information

A Have you made any payments to an affiliated corporation, a related individual, or other related entity for interest, royalties or other expenses related to intangible property (patents, trademarks, copyrights, and similar intangible property)? If yes, complete and enclose Schedule 500AB.

Enter exception amount from Schedule 500AB, Line 8. **A** _____ .00

B Coalfield Employment Enhancement Tax Credit earned from 2019 Form 306, Line 11. **B** _____ .00

C If a net operating loss deduction was claimed in computing federal taxable income on the U.S. Corporation Income Tax Return, provide the requested information. If a NOL resulted from a merger, enter the FEIN of the company generating the NOL prior to the merger date.

(1) Year of Loss _____
 (2) Federal NOL _____
 (3) Percent of federal NOL used this year _____ %

FEIN _____
 (If there are NOLs for more than one year, enclose a schedule for each year with the information requested in Section C.)

D If pass-through entity withholding is claimed, enter the number of Schedules VK-1 and complete and enclose Schedule 500ADJ, Page 2. **D** _____

E Has your federal income tax liability been redetermined with the IRS and finalized for any prior year(s) that has not previously been reported to the Department? If yes, provide the year(s). Year **E** _____
 Year _____
 Year _____

F Location of corporation's books 115 Lake Front Road, Front Royal, VA, 22630

Contact for corporation's books Ken Harvey Contact Phone Number _____

**2019 Virginia
Form 500**

FEIN 54-1179516



Page 2

Lake Front Royal POA

INCOME

1	Federal taxable income (from enclosed federal return)	1	-100	.00
2	Total additions from Schedule 500ADJ, Section A, Line 7	2		.00
3	Total (add Lines 1 and 2)	3	-100	.00
4	Total subtractions from Schedule 500ADJ, Section B, Line 10	4		.00
5	Balance (subtract Line 4 from Line 3)	5	-100	.00
6	Savings and Loan Association's Bad Debt Deduction (see instructions)	6		.00
7	Virginia taxable income (subtract Line 6 from Line 5)	7	-100	.00

TAX COMPUTATION

8 Apportionable Income (Schedule 500A Filers) – Complete Lines 8(a) through 8(d). See instructions.

8(a)	Income subject to Virginia tax from Schedule 500A, Section B, Line 3(j)	8(a)		.00
8(b)	Apportionment factor percentage from Schedule 500A, Section B, Line 1 or Line 2(f)	8(b)		%
8(c)	Nonapportionable investment function income from Schedule 500A, Section B, Line 3(c)	8(c)		.00
8(d)	Nonapportionable investment function loss from Schedule 500A, Section B, Line 3(e)	8(d)		.00
9	Income tax [6% of Line 7 or 6% of Line 8(a)]	9	0	.00

PAYMENTS AND CREDITS

10	Nonrefundable tax credits: Enter the amount from Schedule 500CR, Section 2, Part 1, Line 1B	10	0	.00
11	Adjusted corporate tax (subtract Line 10 from Line 9)	11	0	.00
12	2019 estimated Virginia income tax payments including overpayment credit from 2018	12		.00
13	Extension payment	13		.00
14	Refundable tax credits from Schedule 500CR, Section 4, Part 1, Line 1A	14		.00
15	Pass-through entity total withholding from Schedule 500ADJ, Section D	15		.00
16	Total payments and credits (add Lines 12 through 15)	16	0	.00

REFUND OR TAX DUE

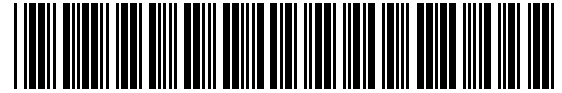
17	Tax owed (if Line 11 is greater than Line 16, subtract Line 16 from Line 11)	17	0	.00
18	Penalty (see instructions)	18		.00
19	Interest (see instructions)	19		.00
20	Additional charge from Form 500C, Line 17 (enclose Form 500C)	20		.00
21	Total due (add Lines 17 through 20)	21	0	.00
22	Overpayment (if Line 16 is greater than Line 11, subtract Line 11 from Line 16)	22		.00
23	Amount to be credited to 2020 estimated tax	23		.00
24	Amount to be refunded (subtract Line 23 from Line 22)	24		.00

I, the undersigned president, vice-president, treasurer, assistant treasurer, chief accounting officer, or other officer duly authorized to act on behalf of the corporation for which this return is made, declare under the penalties provided by law that this return (including any accompanying schedules and statements) has been examined by me and is, to the best of my knowledge and belief, a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the income tax laws of the Commonwealth of Virginia. If prepared by a person other than the taxpayer, this declaration is based on all information of which he or she has any knowledge.

By checking the box to the right, I (we) authorize the Department to discuss this return with the undersigned preparer. →

Date	Signature of Officer	Title
		Secretary
Printed Name of Officer		Phone Number
Print Preparer's Name and Firm Name		Preparer Phone Number
Kevin Lyle		304-279-0983
Date	Individual or Firm, Signature of Preparer	Address of Preparer
		KCL Financial Services 188 McGregor Dr Ranson, WV 25438
Preparer's FEIN, PTIN, or SSN		Approved Vendor Code
P00925674		1032

IMPORTANT: INCLUDE A COPY OF YOUR FEDERAL RETURN WITH THIS RETURN



Name as shown on Virginia return Lake Front Royal POA FEIN 54-1179516

Use **Schedule 500ADJS** in addition to the Schedule 500ADJ if you are claiming more additions or subtractions than the Schedule 500ADJ allows. Refer to the Form 500 Instructions for addition and subtraction codes. Check this box and enclose Schedule 500ADJS with your return.

Section A – Additions to Federal Taxable Income

1	Fixed date conformity addition - Depreciation.....	1	.00
2	Fixed date conformity addition - Other.....	2	.00
3	Taxable addition from Schedule 500AB, Line 10.....	3	.00
4	Net income tax and other taxes that are based on, measured by, or computed with reference to net income.....	4	.00
5	Interest on state obligations other than Virginia.....	5	.00
6	Other Additions		
		Code	
		6 a	.00
		6 b	.00
		6 c	.00
7	Total Additions. Add Lines 1 - 5 and 6a - 6c. Enter here and on Form 500, Line 2.....	7	.00

Section B – Subtractions from Federal Taxable Income

1	Fixed date conformity subtraction - Depreciation.....	1	.00
2	Fixed date conformity subtraction - Other.....	2	.00
3	Income from obligations or securities of the U.S. exempt from state income taxes, but not from federal income taxes.....	3	.00
4	Foreign dividend gross-up (IRC § 78).....	4	.00
5	Refund or credit of income taxes included in federal taxable income.....	5	.00
6	Subpart F income (IRC § 951) and/or Global Intangible Low-Taxed Income (IRC § 951A).....	6	.00
7	Foreign source income subtraction allowed by Va. Code § 58.1-402 C 8.....	7	.00
8	Dividends received from corporations in which the recipient owns 50% or more of the voting stock, to the extent remaining in federal taxable income.....	8	.00
9	Other Subtractions (see instructions for subtraction codes)		
		Certification Number	Code
		9 a	.00
		9 b	.00
		9 c	.00
10	Total Subtractions. Add Lines 1 - 8 and 9a - 9c. Enter here and on Form 500, Line 4.....	10	.00

Section C – Amended Return

If you are filing an amended return, complete Section C to determine if you will receive an additional refund or if you need to make an additional payment.

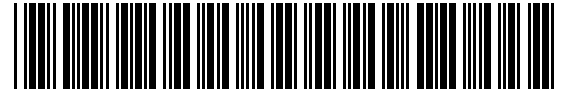
1	Add amount paid with original return plus additional tax paid after it was filed. (Do not include amount paid from Form 500, Line 20.).....	1	.00
2	Add Line 1 from above and Line 16 from Form 500 and enter the total here.....	2	.00
3	Overpayment, if any, as shown on original return or as previously adjusted.....	3	.00
4	Subtract Line 3 from Line 2.....	4	.00
5	If Line 4 above is less than Line 11 on amended Form 500, subtract Line 4 above from Line 11 on amended Form 500. This is the tax you owe.	5	.00
6	Refund. If Line 11 on amended Form 500 is less than Line 4 above, subtract Line 11 on amended Form 500 from Line 4 above. This is the tax you overpaid.....	6	.00

EXPLANATION OF CHANGES TO INCOME AND MODIFICATIONS

Enclose an explanation for amending return. Provide the line reference from the Form 500 for which a change is reported and give the reason for each change. Show any computation in detail and enclose any applicable schedules.

**2019 Virginia
Schedule 500FED**

**Corporation Schedule of
Federal Line Items**



Enclose Schedule 500FED with your Virginia Corporation Income Tax Return, Form 500.

Schedule 500FED does not replace the requirement to enclose a complete federal Form 1120 with your Virginia return.

Name as shown on Virginia return Lake Front Royal POA FEIN 54-1179516

Form 1120 – Deductions and Taxable Income

1	Federal Taxable Income before NOL and Special Deductions	1	.00
2	Net Operating Loss Deduction	2	.00
3	Special Deductions	3	.00
4	Federal Taxable Income after NOL and Special Deductions	4	.00

Form 1120, Schedule C – Dividends and Special Deductions

5	Subpart F Income and/or Global Intangible Low-Taxed Income	5	.00
6	Gross-Up for Foreign Taxes Deemed Paid	6	.00

Form 1120, Schedule K or M-1

7	Tax Exempt Interest	7	.00
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Form 5884 – Work Opportunity Credit

8	Salaries and Wages not deducted due to the WOTC	8	.00
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Form 4562 – Special Depreciation Allowance and Other Depreciation

9	Special depreciation allowance for qualified property placed in service during the taxable year	9	.00
10	Property subject to 168(f)(1) election	10	.00
11	Other depreciation	11	.00

Form 1118, Schedule A – Income or Loss Before Adjustments – Gross Income or Loss

12	Total: Dividends (Exclude Gross-Up)	12	.00
13	Total: Dividends (Gross-up)	13	.00
14	Total: Inclusions (Exclude Gross-up)	14	.00
15	Total: Inclusions (Gross-up)	15	.00
16	Total: Interest	16	.00
17	Total: Gross Rents, Royalties, and License Fees	17	.00
18	Total: Gross Income from Performance of Services	18	.00
19	Total: Other	19	.00
20	Total: Total Gross Income or Loss from Outside the US	20	.00

Form 1118, Schedule A – Income or Loss Before Adjustments – Deductions

21	Total: Allocable – Rental, Royalty, and Licensing Expenses – Depreciation, Depletion, and Amortization	21	.00
22	Total: Allocable – Rental, Royalty, and Licensing Expenses – Other Expenses	22	.00
23	Total: Allocable – Expenses Related to Gross Income from Performance of Services	23	.00
24	Total: Allocable – Other Allocable Deductions	24	.00
25	Total: Total Allocable Deductions	25	.00
26	Total: Apportioned Share of Deductions	26	.00
27	Total: Net Operating Loss Deduction	27	.00
28	Total: Total Deductions	28	.00

Form 1118, Schedule A – Income or Loss Before Adjustments – Total Income

29	Total: Total Income or (Loss) Before Adjustments	29	.00
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